Ministry of Transportation and Infrastructure

2015/16 – 2017/18 SERVICE PLAN

February 2015

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Published by the Ministry of Transportation and Infrastructure

Minister
Accountability Statement

Minister Accountability Statement: The *Ministry of Transportation and Infrastructure 2015/16 - 2017/18 Service Plan* was prepared under my direction in accordance with the *Budget Transparency and Accountability Act*. I am accountable for the basis on which the plan has been prepared.

Honourable Todd G. Stone
Minister of Transportation and Infrastructure
February 3, 2015

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Purpose of the Ministry

The Ministry of Transportation and Infrastructure plans transportation networks, provides transportation services and infrastructure, develops and implements transportation policies, and administers many related acts and regulations as well as federal-provincial funding programs, including the Building Canada Fund. The Ministry opens up B.C. through innovative, forward-thinking transportation strategies that move people and goods safely, and fuel our provincial economy. Improvement of vital infrastructure is a key goal, along with enhancing the competitiveness of B.C.'s transportation industries, reducing transportation-related greenhouse gas emissions and providing B.C. with a safe and reliable highway system.

The Minister is responsible for two internal reporting Crown corporations and four self reporting Crown corporations. The BC Transportation Financing Authority (BCTFA) and BC Railway Company (BCRC) are reported in this service plan.

- The BC Transportation Financing Authority (BCTFA) is established under the *Transportation Act* to plan, acquire, construct, hold and improve transportation infrastructure throughout the province. The BCTFA owns all provincial highways and land held for construction of future transportation infrastructure.
- BC Railway Company (BCRC) is incorporated under the *British Columbia Railway Act* and supports the *Pacific Gateway Transportation Strategy 2012–2020* by acquiring and holding railway corridor and strategic port lands, and making related infrastructure investments to benefit the province, including the strategic sale of surplus land. BCRC also administers the Canadian National Railway Company (CN Rail) Revitalization Agreement and operates the Roberts Bank port subdivision.

BC Transit, TI Corp, ICBC and PavCo are self-reporting Crown corporations. More information can be found on their respective websites: bctransit.com, pmh1project.com, icbc.com and bcpavco.com. Rapid Transit Project 2000 Ltd. completed its mandate to build the Millennium Line and concluded direct project activities in 2006. The Ministry is responsible for any continuing Rapid Transit Project 2000 Ltd. administration and financial reporting.

B.C. on the Move

The provincial government will be releasing a new 10-year transportation plan called B.C. on the Move in early 2015. The plan will set out a series of short-, medium- and long-term priorities based on technical analysis and consideration of extensive public and stakeholder engagement conducted across the province. The plan will help guide transportation improvements over the next 10 years that will ensure we keep citizens and our economy moving forward. The plan's priorities will focus on moving goods and people safely and reliably, growing the economy, connecting and strengthening communities, and maximizing collaboration and investment with partners including First Nations, the federal government, local governments, and the private sector.

Strategic Direction and Context

Strategic Direction

The Ministry of Transportation and Infrastructure makes strategic investments in British Columbia's transportation infrastructure to create a safer and more reliable transportation network, provide good value and service for taxpayers and create economic opportunities for our province. The *2015/16 - 2017/18 Service Plan* is guided by the *Mandate Letter* provided by the Premier, and the associated *Taxpayer Accountability Principles*. The plan identifies the Ministry's key priorities to support the government's goals of a strong economy and ensuring the best possible use of government resources to respect the interests of taxpayers.

Strategic Context

Economic Forecast. The Economic Forecast Council expects British Columbia's real GDP to grow by 2.6 per cent in 2015 and 2.8 per cent in 2016. Downside risks to BC's economic outlook include the potential for a slowdown in domestic and U.S. activity, ongoing fragility in Europe, and slower than anticipated Asian demand. Additional risks include a fluctuating Canadian dollar and weak inflation, in part due to lower oil prices.

Federal Infrastructure Programs. The federal government committed in Budget 2013 to over $47 billion in new funding over 10 years starting in 2014/15 under the Economic Action Plan 2013. The Ministry has successfully used federal funding to help deliver road improvement projects. Continuing to take advantage of available federal funding provides excellent value to B.C. taxpayers and may influence investment programs proposed under the Ministry's Service Plan.

Growth and Facilitation of Asia-Pacific Trade. Through the *Pacific Gateway Transportation Strategy 2012-2020*, $25 billion in total investment were identified which will improve and expand port, rail, road and airport facilities and build on B.C.'s status as the preferred gateway for Asia-Pacific trade. At the end of 2014, $15 billion had been committed to projects which will increase capacity of the Pacific Gateway. Canada is entering into a number of new Free Trade Agreements, including South Korea and the Trans Pacific Partnership, which create new opportunities for trade. Vancouver Airport officials anticipate an expansion of the Transit Without Visa program in the near future that would serve as a catalyst for more international air services and possible future connections through Vancouver to South America. A resurgence in the U.S. economy may result in increased imports of consumer goods flowing through container terminals in B.C.

Regional Economies. B.C.'s rural economies continue to diversify and will rely on a range of infrastructure improvements to facilitate this evolution. With increased natural resource development, such as oil and gas, and mining and forestry, industrial traffic places significant demands on existing transportation infrastructure. To support these activities and ensure roads remain suitable for all users, the Ministry will make additional investments in affected road networks, including maintenance and rehabilitation due to incremental wear and tear.

Goals, Objectives, Strategies and Performance Measures

The Ministry of Transportation and Infrastructure promotes economic growth and diversification in support of Government's priority of creating jobs to secure a strong tomorrow for communities across the province. Our integrated transportation network is the backbone of B.C.'s economy and investing in safe and reliable infrastructure makes our transportation industries globally competitive and positions them to support the movement of people and goods. The Ministry invests in transit, cycling and walking infrastructure in support of Government's continued commitment to lead the world in sustainable environmental management, giving British Columbians sustainable transportation options.

To accomplish its mandate, the Ministry of Transportation and Infrastructure has the following goals:

- Improved infrastructure drives economic growth and trade;
- British Columbia's transportation sector is globally competitive;
- Greenhouse gas emissions from the transportation sector are reduced;
- British Columbia's highway system is safe and reliable; and
- Excellent customer service.

Goal 1: Improved infrastructure drives economic growth.

Objective 1.1: Improve mobility on routes servicing major economic gateways.

Strategies

- Undertake improvements that reduce bottlenecks on major urban and rural trade corridors;
- Promote efficiencies at Canada/U.S. border crossings through infrastructure improvements and the deployment of intelligent transportation technology to reduce border wait times; and
- Use the Regional Transportation Management Centre to improve mobility and reliability on the transportation network through advanced incident management and information systems.

Objective 1.2: Identify and select priority improvement projects.

Strategies

- Identify key safety and mobility improvements to enhance the movement of people and goods;
- Develop, evaluate, prioritize and build business cases for improvement options; and
- Amalgamate projects into an integrated investment strategy.

Objective 1.3: Use Provincial investment dollars as effectively as possible.

Strategies

- Complete projects on budget and on time;
- Develop public-private partnerships in consultation with Partnerships BC, where appropriate; and
- Capture value from surplus lands to fund transportation improvements.

Performance Measure 1: Project performance

Performance Measure	2014/15 Forecast[2]	2015/16 Target	2016/17 Target	2017/18 Target
The percentage of projects that meet their budget and schedule.	91.5%	91.5%	91.5%	91.5%

Data Source: Ministry of Transportation and Infrastructure.

Discussion

This performance measure reflects the goal of being cost conscious as outlined in the Taxpayer Accountability Principles, and evaluates all Ministry capital construction and rehabilitation projects completed each year within the overall Transportation Investment Plan. The number and total value of these projects varies from year-to-year as new investments are made. The performance measure allows the Ministry to assess how efficiently and effectively it delivers a large suite of projects. Projects range in size, scope, and value and use a variety of procurement methods. Programs continuously evolve to meet the needs of the infrastructure and best serve the citizens of the province. The constant target represents the Ministry's ability to maintain a high level of achievement despite these challenges and the broad range of projects included in the target.

Objective 1.4: Improve access for resource industries and rural residents.

Strategies

- Invest in priority rehabilitation and improvement projects on roads serving industry and rural residents, including the Major Programs outlined in Appendix A; and
- Undertake projects that support increased industrial growth, such as four-laning, strengthening of roadways and improving overhead clearances, alignments and bridge capacity.

Objective 1.5: Leverage available federal funding and administer cost-sharing programs to support and sustain B.C.'s infrastructure.

Strategies

- Lead negotiations for the next round of federal/provincial infrastructure programs; and
- Take a leadership position in partnership with other Provincial Ministries to support local government's priority infrastructure projects.

Goal 2: B.C.'s transportation sector is globally competitive.

Objective 2.1: Develop Canada's Pacific Gateway.

Strategies

- Implement *The Pacific Gateway Transportation Strategy 2012–2020: Moving Goods and People*; and
- Undertake transportation trade network development and integration in conjunction with the Pacific Gateway Alliance, the private sector, other levels of government and First Nations to build capacity for long term growth.

Performance Measure 2: Pacific Gateway Supply Chain Investments.

Performance Measure	2014/15 Forecast	2015/16 Target	2016/17 Target	2017/18 Target
Cumulative completed provincial strategic investment in Pacific Gateway supply chain infrastructure.	$5.68 billion	$5.77 billion	$5.83 billion	$6.56 billion

Data Source: Total completed investment spending (cumulative) on provincial supply chain infrastructure by B.C. since 2005. Does not include partner contributions.

Discussion

Through British Columbia's Pacific Gateway Transportation Strategy the Ministry participates with private and public agencies in the planning and development of infrastructure projects to fulfill the long-term vision of British Columbia as North America's gateway of choice for Asia Pacific trade. *The Pacific Gateway Alliance* is the unique public private partnership that oversees the Pacific Gateway's expansion of port, rail, road and airport facilities. These partners are working together to take advantage of Canada's strategic location at the crossroads of the North American marketplace.

Market access for natural resources is imperative to economic growth. Several studies are underway in northern B.C. and the Lower Mainland to better understand the capacity of B.C.'s multi-modal transportation network and to identify where improvements are needed to ensure the efficient reliable movement of goods while maintaining quality of life for residents.

Goal 3: Reduce greenhouse gas emissions from the transportation sector.

Objective 3.1: Increase transit use, cycling and other alternative modes of personal transportation.

Strategies

- In partnership with other levels of government and with stakeholders, support provision of rapid transit and frequent bus service to make transit an attractive option;
- Invest in public transit infrastructure, where supported by strong business cases;
- Improve High Occupancy Vehicle (HOV) and transit priority measures;
- Encourage compact and mixed land-use around transit stations and along transit corridors through policy and funding agreements; and
- Invest in an integrated cycling and walking network.

Performance Measure 3: Transit Ridership

Performance Measure	2014/15 Forecast	2015/16 Target	2016/17 Target	2017/18 Target
Annual public transit ridership in B.C.	294.6 million	298.1 million	302.9 million	306.9 million

Data Source: Estimates for future transit ridership are provided by BC Transit and TransLink and are based on the anticipated effects of transit investments that are committed or underway, changing local conditions such as fuel costs and forecast transit service levels.

Discussion

Transit ridership is the number of rides taken by people using public transit over a set period of time. Ridership is a measure that allows the Province to monitor the success of transit investments on a year to year basis. Increases in number of trips using transit are related to growth in population and shifts from automobile use. This reduces congestion and transportation-related greenhouse gas emissions. Ridership is steadily increasing in markets across British Columbia. Estimated ridership increases for the next three years reflect the impact of recent investments such as the Kelowna Rapid Bus and the introduction of new services such as Rapid Bus on Highway 1 across the Port Mann Bridge, as well as new investments such as the Evergreen Line, which is scheduled to open in 2016.

Objective 3.2: Improve supply chain efficiency for the movement of goods.

Strategies

- Reduce commercial truck idling by minimizing permit wait times;
- Improve rural road infrastructure;
- Build rail grade separations; and
- Free up road capacity for goods movement by reducing the use of single-occupant vehicles.

Objective 3.3: Reduce greenhouse gas emissions.

Strategies

- Invest in new buses that use the latest technology;

- Increase the use of weigh-in-motion technology at inspection stations;
- Implement intelligent traffic control systems to reduce idling and create advantages for transit; and
- Promote the use of natural gas as the fuel of choice for heavy duty commercial vehicles, transit buses and coastal ferries.

Goal 4: B.C.'s highway system is safe and reliable.

Objective 4.1: Ensure a high standard of provincial highway maintenance.

Strategies

- Consider future improvements to continue delivery of high quality maintenance and rehabilitation programs; and
- Administer highway maintenance contracts and assess service delivery through the Contractor Assessment Program.

Performance Measure 4: Contractor Assessment

Performance Measure	Baseline	2014/15 Forecast	2015/16 Target	2016/17 Target	2017/18 Target
Rating of maintenance contractor performance using Contractor Assessment Program.	93%	93%	93%	93%	93%

Data Source: Ministry of Transportation and Infrastructure, Construction and Maintenance Branch.

Discussion

The Contractor Assessment Program allows the Ministry to systematically monitor and assess the performance of our contractors. This is in line with the goal of Accountability from the Taxpayer Accountability Principles. Contractor ratings are generated through three processes: a local assessment by Ministry District staff, overseen by the local District Operations Manager; a regional assessment by a team of auditors from outside the service area typically overseen by an outside District Operations Manager; and interviews led by the local District Operations Manager with local stakeholders. The Contractor Assessment Program Manual is available on the Ministry's web site.

Objective 4.2: Rehabilitate the highway system on a lowest life-cycle cost basis.

Strategies

- Invest in the main highway system (roads and bridges) to maintain and mitigate the onset of deterioration and maximize the return on infrastructure investment;
- Systematically assess the condition of infrastructure to determine priority in the annual resurfacing and structure rehabilitation and replacement programs; and

- Integrate climate change adaptation considerations into rehabilitation design and cost.

Objective 4.3: Improve highway safety and reliability.

Strategies

- Monitor highway safety and improve high-risk locations in consultation with local and regional authorities and stakeholders;
- Maximize highway safety and reliability through both safety-focused enhancements and low-cost improvements, such as signs, lighting, and lane markings;
- Work with safety partners such as the Insurance Corporation of British Columbia, local law enforcement, and the Ministry of Justice to identify areas for safety improvements; and
- Examine highway safety and reliability issues considering climate forecasts and the adaptive capacity of transportation infrastructure. Address and revise standards where appropriate using results of studies on climate and highway infrastructure interactions.

Performance Measure 5: Highway Safety

Performance Measure	Baseline	2014/15 Forecast	2015/16 Target	2016/17 Target	2017/18 Target
Crash reduction after construction of safety improvement capital projects.	100 collisions	20% reduction from baseline	20% reduction from baseline	TBD	TBD

Data Source: The RCMP and ICBC.

Discussion

Collision prediction models and modification factors were used to forecast reductions. Reporting for 2015/16 will be based on safety improvement capital projects that are substantially complete by 2015/16. The performance measure compares target crash reduction to actual crashes on the safety capital projects completed during the reporting period. The baseline is the yearly average collision history measured over the five year period preceding the start of construction of the capital projects.

Objective 4.4: Provide effective road safety enforcement, education and programs for the commercial transport industry.

Strategies

- Establish and enforce regulations to enhance vehicle safety in B.C. and to ensure public safety;
- Participate with other jurisdictions on initiatives to coordinate and harmonize programs, policies and standards for commercial vehicles;
- Ensure information systems provide quality and timely commercial vehicle safety data for compliance and enforcement; and

- Build on existing technologies and policies to promote safety and improve efficiency for the commercial transport industry.

Goal 5: Excellent customer service.

Objective 5.1: Continue improving service to B.C.'s business community.

Strategies

- Participate in cross-government integration of permitting processes;
- Streamline application and review processes for rural subdivisions; and
- Implement online permit application and tracking tools to support reduced turnaround times.

Objective 5.2: Provide excellent customer service to all British Columbians.

Strategies

- Communicate and engage more efficiently with the Ministry's stakeholders;
- Undertake annual surveys to better understand customer expectations and level of service; and
- Evaluate results to determine how to enhance customer service.

Performance Measure 6: Customer Service

Performance Measure	Baseline	2014/15 Forecast	2015/16 Target	2016/17 Target	2017/18 Target
Customer Satisfaction Survey: Stakeholder satisfaction with Ministry services and processes, rated on a scale of 1 to 5.	3.9	4.10	4.10	4.10	4.10

Data Source: The Ministry's Customer Satisfaction Survey is based on the Common Measurement Tool (CMT), a survey framework designed by the Institute for Citizen-Centred Service to be administered by public-sector organizations to facilitate the measurement of citizen satisfaction.

Discussion

This Performance Measure helps assess how the Ministry meets the goals of Accountability, Service and Respect set out in the Taxpayer Accountability Principles. The customer satisfaction score is based on British Columbians' ratings of service they received from the Ministry. The survey focuses on the six core drivers of customer satisfaction: fairness, staff knowledge, timeliness, accessibility, staff respect and courtesy, and information. The Customer Satisfaction Survey utilizes a web-based and in-person questionnaire to complete the study. Survey respondents include local governments, stakeholders and the general public. The Ministry uses the survey results to identify areas and processes to improve service delivery. The constant targets represent the Ministry's ability to consistently deliver high quality customer service.

Resource Summary

Core Business Area	2014/15 Restated Estimates[1]	2015/16 Estimates[2]	2016/17 Plan	2017/18 Plan
Operating Expenses ($000)[3]				
Transportation and Infrastructure Improvements	11,120	11,248	11,372	11,408
Public Transportation[4]	308,813	309,077	309,218	309,778
Highway Operations	472,172	472,858	473,315	474,360
Commercial Transportation Regulation	1,534	1,544	1,550	1,564
British Columbia Pavilion Corporation	8,992	9,022	9,072	9,152
Executive and Support Services	9,662	9,724	9,766	9,861
Total	**812,293**	**813,473**	**814,293**	**816,123**
Ministry Capital Expenditures (Consolidated Revenue Fund) ($000)				
Highway Operations	4,168	5,274	5,274	5,274
Total	**4,168**	**5,274**	**5,274**	**5,274**

[1] For comparative purposes, the amounts shown for 2014/15 have been restated to be consistent with the presentation of the 2015/16 Estimates.

[2] Further information on program funding and vote recoveries is available in the Estimates and Supplement to the Estimates.

[3] Operating expenses are reported net of funding from external sources, primarily the BC Transportation Financing Authority.

[4] Public Transportation operating expenses include government contributions towards public transit and coastal ferry services.

Major Capital Projects

Evergreen Line Rapid Transit Project

Objective: The Evergreen Line will extend Metro Vancouver's rapid transit network to the growing northeast sector communities, providing alternative transit choices, increasing transit ridership and reducing greenhouse gas emissions and road congestion. More information about the project can be found at evergreenline.gov.bc.ca.

Costs: Estimated project cost is $1.431 billion, with the government of Canada contributing up to $424 million, the government of B.C. contributing $586 million, other partners contributing $21 million, and TransLink contributing the remaining $400 million and operating the system as part of the overall rapid transit network.

Benefits:

- Provide fast, frequent and convenient service;
- Increase transit ridership and capacity, with 70,000 riders per day by 2021;
- Reduce traffic congestion;
- Support regional and municipal growth management plans; and
- Provide economic opportunities by creating 8,000 new jobs during construction.

Risks:

- Construction through a developed urban area;
- Managing traffic during construction along busy urban commuter routes; and
- Construction of a two-kilometre bored tunnel.

George Massey Tunnel Replacement Project

Objective: The George Massey Tunnel experiences significant congestion and delays. Without improvements, economic growth and regional livability will be constrained. The tunnel is being replaced with a bridge with dedicated HOV/transit lanes, a multi-use pathway for cyclists and pedestrians and related Highway 99 improvements. The project will help significantly resolve congestion, safety and reliability issues and improve transit service along the corridor. Construction is expected to begin in 2017. More project information is available at engage.gov.bc.ca/masseytunnel.

Costs: The Ministry is finalizing the project definition report which will outline scope and costs and provide the basis for the next round of public consultation and initiating the environmental assessment process. The Ministry will continue the technical analyses and assessment required to advance the project.

Benefits:

- Improved safety and reliability, with present-day seismic standards and fewer crashes.

- Reduced travel times and improved movement of people and goods on highways 99 and 91.
- Improved opportunities for transit, HOVs, cyclists and pedestrians.
- Improved access to major trade gateways, industrial and local business areas and recreational opportunities, and improved access for local agricultural and residential communities.
- Vehicle operating cost savings and reduced congestion and idling.

Risks:

- Construction on soft soils.
- Maintaining traffic during construction for road and marine users.

Kicking Horse Canyon

Objective: Upgrade the 26-kilometre section of the Trans-Canada Highway to a modern, four-lane standard from the junction of Highway 95 at Golden to the western boundary of Yoho National Park. This portion of the Trans-Canada Highway serves as a gateway between British Columbia and the rest of North America, connecting resource extraction sites with processing, manufacturing, and distribution centres, and is a key part of the province's resource economies, particularly forestry and mining, tourism and inter-provincial trade. The Kicking Horse Canyon Project is now in its fourth phase. The first three phases have been completed and are now in operation. More information about the project can be found at www.th.gov.bc.ca/kickinghorse/.

Costs: The first three phases cost $327 million. The current estimate for Phase 4 is $440 million.

Benefits:

- Safer, reliable roads and increased capacity on a critical provincial and national gateway;
- Economic development through increased tourism and efficient movement of goods and services.

Risks:

- Challenging climatic and geographic conditions; and
- Managing traffic during construction.

Port Mann/Highway 1 Improvement Project

The Port Mann/Highway 1 Improvement Project includes doubling the capacity of the Port Mann Bridge and widening 37 kilometres of highway between Vancouver to Langley. The new Port Mann Bridge opened to traffic in December 2012. Public transit can now use this crossing for the first time in 25 years and the HOV network is now connected from Langley to Vancouver. Construction of the bridge's final two lanes and dismantling of the original bridge is ongoing.

As a provincial Crown corporation, the Transportation Investment Corporation is responsible for delivering this project, and prepares its own service plan and annual service plan report, separate from the Ministry's, which can be found at: www.pmh1project.com/.

Transportation Investments

($ millions)	2015/16	2016/17	2017/18	Total
Provincial Investments				
Highway Rehabilitation	213	213	213	639
Side Road Improvement Program	90	90	90	270
Natural Gas Road Upgrade Program	20	20	20	60
Highway 1 – Kamloops to Alberta Border	45	46	60	151
George Massey Tunnel Replacement Project[1]	24	29	-	53
Okanagan Valley Corridor	39	29	43	111
Cariboo Connector	36	28	38	102
Major Highway Corridors and Roads	119	103	204	426
Other Transportation Programs	53	50	58	161
Transit Infrastructure	221	200	74	495
Total Provincial Transportation Investment[2]	**860**	**808**	**800**	**2,468**
Investments funded through contributions from Federal Government and Other Partners				
Contributions from all partners	298	108	9	415
Total Investment in Transportation Infrastructure	1,158	916	809	2,883

[1] Subject to Treasury Board approved business plan and funding strategy.

[2] Total provincial investment includes operating and capital spending.

Transportation Investment Corporation ($ millions)	2014/15	2015/16	2016/17	Total
Port Mann Highway 1 Project	16	9	-	25
Total Investments in Transportation Infrastructure including the Port Mann Highway 1 Project	**1,174**	**925**	**809**	**2,908**

Crown Corporations

The Minister is responsible for the following Crown corporations: the BC Transportation Financing Authority (BCTFA), BC Railway Company (BCRC), BC Transit, the Transportation Investment Corporation (TI Corp), the Insurance Corporation of British Columbia (ICBC) and the B.C. Pavilion Corporation (PavCo). The BCTFA and BCRC are reported in this service plan. BC Transit, TI Corp, ICBC and PavCo are self-reporting Crowns and more information can be found on their respective websites, bctransit.com, pmh1project.com, icbc.com and bcpavco.com.

British Columbia Railway Company

Organizational Overview:

BCRC's primary mandate is to support *The Pacific Gateway Transportation Strategy 2012–2020: Moving Goods and People* by acquiring and holding railway corridor and strategic port lands, and by making related infrastructure investments to provide benefits to the province. BCRC owns the former BC Rail railway lands and track infrastructure, which is leased to CN Rail through the Revitalization Agreement. Consistent with *The Pacific Gateway Transportation Strategy*, BCRC owns and operates the Roberts Bank Port Subdivision rail line (a 40 kilometre track from Surrey to Roberts Bank coal and container terminals). BCRC, through its subsidiary BCR Properties Ltd., owns port-related lands which are leased to terminal operators, including those upon which the Vancouver Wharves and Squamish Terminals port facilities operate.

BCRC is a corporation incorporated under the *British Columbia Railway Act*. On April 1, 2010, BCRC moved under the control and management of the Ministry of Transportation and Infrastructure, becoming a wholly owned subsidiary of the BC Transportation Financing Authority (BCTFA).

BCRC has retained its legislative authority and is governed by two principal pieces of legislation. The *British Columbia Railway Act* establishes the corporation's structure, governance, responsibilities and accountabilities. The *British Columbia Railway Finance Act* establishes the borrowing and investment framework for BCRC. BCRC must also meet the requirements common to other government corporations and organizations under the *Financial Administration Act* and the *Budget Transparency and Accountability Act*.

BCR Properties Ltd. also owns surplus real estate holdings not required for railway and port operations. Its mandate is to dispose of all land holdings not required to support railway and port operations. This mandate is carried out by staff in the Ministry of Transportation and Infrastructure.

Corporate Governance:

BCRC's governance practices are in accordance with the best practices outlined in the *BC Governance and Disclosure Guidelines for Governing Boards of British Columbia Public Sector Organizations*, Board Resourcing and Development Office, February 2005.

Grant Main, Deputy Minister, Ministry of Transportation and Infrastructure, is the sole member and chair of the Board of Directors. The President and CEO of BCRC is Gordon Westlake.

Goals and Strategies:

Goal 1: **Provide open access for the three class one railways serving the Roberts Bank port terminals via BCRC's Port Subdivision and ensure safe, reliable and efficient freight train operations**

Strategies:

- Conduct dispatching, train control and yard management in a manner that provides fair and equal access to Roberts Bank port terminals;
- Maintain railway track and infrastructure in compliance with standards acceptable to the BC Safety Authority and Transport Canada; and
- Maintain cooperative relationships with port terminal operators and neighbouring municipalities of Delta and Surrey.

Goal 2: **Participate in joint planning and development initiatives related to *the Pacific Gateway Transportation Strategy***

Strategies:

- Provide advice and support to further the Pacific Gateway Transportation Strategy;
- Secure through purchase option, or other means, lands suitable for supporting Pacific Gateway Strategy objectives; and
- Make investments in infrastructure projects that support the Pacific Gateway Strategy.

Goal 3: **Effective and efficient management of the long-term leases of BCRC's strategic assets, including the Revitalization Agreement with CN Rail, the Operating Lease Agreement with Kinder Morgan Canada Terminals and the property lease with Squamish Terminals.**

Strategies:

- Manage a positive landlord-tenant relationship with Squamish Terminals, CN Rail and Kinder Morgan;
- Monitor CN Rail compliance with terms of the Revitalization Agreement and Kinder Morgan compliance with terms of the Operating Lease Agreement; and
- Protect the strategic interests of BCRC and the Province whenever terms of the Revitalization Agreement and the Operating Lease Agreement require enforcement or interpretation.

Goal 4: **Dispose of all surplus real estate holdings and other assets not required for freight railway corridors or port terminal operations.**

Strategies:

- Dispose of surplus real estate holdings in a manner that maximizes commercial returns;
- Subdivide larger land holdings where total net proceeds of disposition can be increased;
- Obtain market rates on leases, encroachments, easements etc. on retained lands; and
- Fulfill obligations and oversight responsibilities relating to environmental laws and regulations.

BC Transportation Financing Authority

Organizational Overview:

The BC Transportation Financing Authority (BCTFA) was established in 1993 as a Crown corporation operating under the Transportation Act with a mandate to acquire, construct, hold, improve or operate transportation infrastructure throughout B.C. The BCTFA owns provincial highways and land held for construction of future transportation infrastructure. However, administration, regulatory responsibility and operational authority for management of highways, as set out in the Transportation Act, are the responsibility of the Minister and the Ministry of Transportation and Infrastructure. The BCTFA has no dedicated staff. Management is provided by staff at the Ministry of Transportation and Infrastructure.

Corporate Governance:

The Minister of Transportation and Infrastructure is the Minister responsible for the BCTFA and the sole member of the Board of Directors.The Deputy Minister of the Ministry of Transportation and Infrastructure is appointed as the Chief Executive Officer and is responsible for the business and operations of the BCTFA.

Goals and Strategies:

The BCTFA is committed to maximizing the financial, social and economic benefits of provincial transportation investments through:

- Protecting existing transportation infrastructure by replacing, rehabilitating and seismic retrofitting of the transportation networks;
- Investing wisely with comprehensive transportation investment plans that support long-term and sustainable economic growth;
- Developing strategic partnerships with federal and other local government agencies, communities and private sectors that serve the best interest of British Columbians; and
- Using innovative solutions and best practices to deliver the most cost effective transportation investment plans.

BC Transportation Financing Authority

Statement of Operations

	2014/15 Forecast	2015/16 Budget	2016/17 Plan	2017/18 Plan
Revenue($000)				
Tax Revenue[1]	424,000	419,500	422,500	425,500
Amortization of deferred contributions[2]	146,535	146,032	154,297	153,679
Other operating revenue[3]	36,503	59,508	33,120	27,282
Total	**607,038**	**625,040**	**609,917**	**606,461**
Expenditures($000)				
Highway Operations	538,389	557,093	566,002	534,550
Transit Programs	85,755	111,439	127,649	84,690
Ferry Operations	15,346	17,961	25,726	19,339
Other	22,122	56,106	48,605	45,925
Debt Servicing Costs[4]	334,864	363,239	455,656	518,255
Total	**996,476**	**1,105,838**	**1,223,638**	**1,202,759**
Net Loss($000)				
Net operating loss	**(389,438)**	**(480,798)**	**(613,721)**	**(596,298)**

[1] Tax revenue includes 6.75 cents per litre motor fuel tax and a provincial sales tax on short-term car rental of $1.50 per day.

[2] Contributions towards capital assets are deferred and amortized to income at the same rate as the related highway infrastructure is amortized to expense.

[3] Other operating revenue includes property sales, rental revenues, earnings from the British Columbia Railway Company and grants from the Province.

[4] Interest on borrowing used to finance construction work in progress is capitalized. Upon completion, related interest costs are expensed.

Appendices

Appendix A: Major Programs

Highway Rehabilitation – Invest $639 million from 2015/16 through 2017/18 in main highways and bridge surfacing, bridge rehabilitation and replacement and seismic retrofits.

Side Roads Improvement Program –Invest $270 million from 2015/16 through 2017/18 to make side roads safer and more reliable, and improve connections between communities.

Natural Gas Road Upgrade Program – Invest $60 million from 2015/16 to 2017/18 for rehabilitating and upgrading the existing public road infrastructure in the Northeast region of the province to attract new investment, create jobs and improve safety for both industry and residents.

Okanagan Corridor Improvements – Support trade and tourism, enhance safety, reduce congestion and support the use of transit in Okanagan Valley corridors by allocating $120 million over the next three years to improve the local highway system.

Cariboo Connector Program – *The Cariboo Connector Program* will continue to expand the 460 kilometre portion of Highway 97 from Cache Creek to Prince George. This major route expansion is designed to increase safety and decrease travel times, while providing northern communities with a first-class trade corridor that meets the needs of a rapidly expanding economy.

Other Highway Corridors and Programs – Work with local governments and stakeholders to undertake priority infrastructure improvements and, as outlined in the Ministry's Mandate Letter, continue to four lane sections of the Trans-Canada Highway between Kamloops and the Alberta border, improving the flow of trade and increasing safety on this corridor. More information on these projects is available on the Ministry web site at gov.bc.ca/Highway Infrastructure Projects.

BikeBC – The *BikeBC* program will continue to assist local governments in the development of bicycle infrastructure, thereby providing alternatives to car travel, resulting in reduced traffic congestion and greenhouse gas emissions and a healthier population.

Provincial Transit Plan – Reducing greenhouse gases and increasing transit ridership, market share and accessibility are key goals in the 2008 *Provincial Transit Plan*. Transit investment and service expansion support healthier and more efficient communities and reduce the need for private automobile use. In Metro Vancouver, the Ministry will work with Elections BC on the delivery of a regional plebiscite on the Mayors' Council on Regional Transportation's proposal to fund future transportation investments through a new Metro Vancouver Congestion Improvement Tax.

Appendix B: Ministry Contact Information

Website

www.gov.bc.ca/tran/

Ministry Contacts

www.gov.bc.ca/tran/contacts

General Inquiries

Email: tran.webmaster@gov.bc.ca
Phone: 250 387-3198
Fax: 250 356-7706

Mailing Address

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Victoria BC V8W 9T5
Canada

Regional Offices

South Coast Regional Office

1500 Woolridge Street, Suite 310
Coquitlam BC V3K 0B8
604) 527-2221

Southern Interior Regional Office

447 Columbia Street
Kamloops BC V2C 2T3
250 828-4220

Northern Regional Office

1011 4th Avenue, Suite 213
Prince George BC V2L 3H9
250 565-6185

Appendix C: Hyperlinks to Additional Information

Additional information can be found online at the following:

Ministry of Transportation and Infrastructure
www.gov.bc.ca/tran

http://twitter.com/tranbc

www.drivebc.ca/

Legislation governing the Ministry's activities
www.th.gov.bc.ca/key_initiatives/legislation/statutes.htm

Evergreen Line Rapid Transit Project
www.evergreenline.gov.bc.ca/

George Massey Tunnel Replacement Project
http://engage.gov.bc.ca/masseytunnel/

Provincial Transit Plan
www.th.gov.bc.ca/transit_plan

BC Railway Company
www.bcrco.com/

Transportation Investment Corporation and the Port Mann/Highway 1 Improvement Project
www.pmh1project.com/

BC Transit
www.bctransit.com/

The Insurance Corporation of British Columbia
www.icbc.com/

The B.C. Pavilion Corporation
www.bcpavco.com/